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UNCLAS SECTION 01 OF 02 GUAYAQUIL 000412

SIPDIS

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TAGS: [PREL](#) [PGOV](#) [ETRD](#) [EC](#)

SUBJECT: LOS RIOS PROVINCE: WORKING HARD FOR PROGRESS

1. SUMMARY: Despite its rich soil and subsequent agricultural importance for Ecuador, Los Rios province faces an uphill battle in its struggle to regain the prosperity it realized during the glory days of the cacao industry boom. Woebegone colonial mansions may dot the capitals landscape, but the decrepit, run-down architecture pervading the rest of the city reflects the reality for the majority of the provinces population. Nevertheless, municipal and provincial leaders are striving to make a better future for the next generation. They view the signing of a free trade agreement with the U.S., improvements in the education system, attracting more tourists, and closer ties with h
Quito as their best hopes. END SUMMARY.

So Close, Yet So Far Away

2. Guayaquil Consul General, Pol/Econ officer, and PAS specialist traveled to Babahoyo, capital of Los Rios province, on March 30 for meetings with local authorities, the first such official USG visit in many years. He also visited with the Consulates warden in Babahoyo and toured a factory that exports canned fruits and vegetables to the U.S.

3. The provincial capital of Babahoyo may be just an hour away from financial powerhouse Guayaquil, but it is worlds away in terms of development. In fact, it is often referred to as Ecuadors least urbanized capital, and within minutes of crossing Babahoyos city limits, it becomes apparent how it achieved such notoriety. Noteworthy tourist attractions include a litter-strewn park, a modern cathedral rapidly losing its facade, and former floating brothels recently converted to family dwellings.

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4. Poised between the two dominant provinces of Pichincha and Guayas, Los Rios has a population of 750,000. According to the governor, 80% of Ecuadors agriculture is based in Los Rios, its 300-odd rivers providing irrigation to soil rich in nutrients. However, as other officials pointed out, because 85% of the land is owned by a small number of people, the majority of the population is comprised of poor farmers with barely enough land to turn a profit, much less compete with the agro-industrial conglomerates. That fact, combined with a lack of employment opportunities outside of farming, produces high levels of emigration to other cities and countries.

Authorities Agitating for Change

5. In office less than three weeks, newly appointed Governor Roboan Gavilanes used the CGs protocol visit to publicly lay out his plans for the province. At a surprise (at least to us) press conference/staff
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meeting, he expounded on the merits of education to promote development, and of the need to impart discipline in the governing structure and population. Heavy on sweeping statements emphatically delivered, and light on substance, his speech was redolant of the campaign trail of his failed run for prefect in the 2004 sectional elections. However, he did profess interest in dialogue with the USG regarding efforts both entities could undertake to promote regional investment.

6. During a luncheon hosted in honor of the CG by the acting prefect and members of the provincial council, several people expressed their strong support for the signing of a free trade agreement with the USG. Though they all hail from the agricultural sector, one of the sensitive areas in current negotiations, they are more apprehensive about what they would lose if such an agreement did not come to term than any difficulties they may face during a transition period.

17. Los Rios Prefect Jorge Marun (PRE) was away in Quito, joining other provincial leaders in a meeting with President Gutierrez. The purpose of the meeting was to secure project funds and transfer payments the central government had promised the province more than a year ago, and according to newspaper reports the prefect prevailed. A member of the PRE party, Marun began his second term as prefect in January 2005. He enjoys tremendous support from the provincial council, whose members credited him with triple the number of paved roads in the area and for obtaining greater recognition for Los Rios from Quito, among other things. Several even expressed their desire to see him become Ecuadors next president.

18. Babahoyo mayor Jonny Teran of the PSC (Social Christian Party), also discussed his efforts at improving the image of Los Rios through a variety of public works projects in its provincial capital. Teran said he had participated in an international visitor program and was visiting Washington, D.C. on September 11, 2001. Though not a proponent of the autonomy movement, Teran did say that he was a friend of Guayaquil mayor and fellow PSC party member Jaime Nebot, and that Nebot had collaborated with him on a number of projects.

19. Re-elected with 56% of the vote in the 2004 sectional elections, Teran is interested in projects to help clean up the city (ranging from recycling and landfills to converting brothels and casinos into low-income housing), as well as improving education through tutoring programs and increased access to computers. Like his colleagues in the provincial council and governors office, he boasted of the numerous, yet undeveloped, tourism opportunities in the region primarily related to their almost 300 rivers.

Comment

10. Los Rios province is faced with challenges and opportunities. Its heavy concentration in agriculture has left many of its inhabitants in poverty, while at the same time eclipsing alternative development options. As a result, its leaders view improvements in the education system as the key to their breaking the cycle of poverty. As one councilman put it, how can a child schooled in a rural area with few resources hope to compete with an urban child who has access to trained teachers and superior materials. At the same time, they are hopeful that a free trade agreement with the U.S. would help to diversify their market base.

11. As is often the case on visits to less-prominent areas, the CGs trip was widely covered by local press, both print and television media. Questions by these reporters, as well as during a radio interview with the provinces largest station, focused on what the U.S. could do for Los Rios than any protests against U.S. policies. There were no negative comments or questions.

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